

**Personal Property Taxes on Business Assets**

Are you thinking about purchasing a business or the assets from an existing business? If so, please keep in mind that Michigan has a system of personal property taxes on assets used in the operation of a business such as furniture, equipment, machinery, and office equipment in addition to the property taxes that are paid by the owner of the real estate. Personal property taxes are a first lien under Michigan law under MCL 211.40, and as such are superior to other liens including those recorded filed with the Secretary of State under the Uniform Commercial Code. Please verify that as a part of your purchase that all personal property taxes have been paid by calling the Treasurer's Office at 323-8510. The purchase agreement should also probably include provisions prorating the current year's personal property taxes between the previous and new owners.